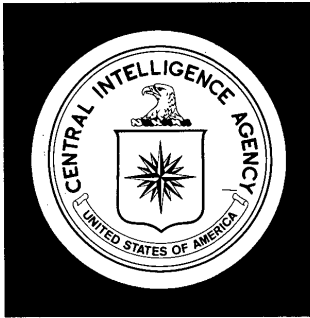




The President's Daily Brief

June 15, 1976

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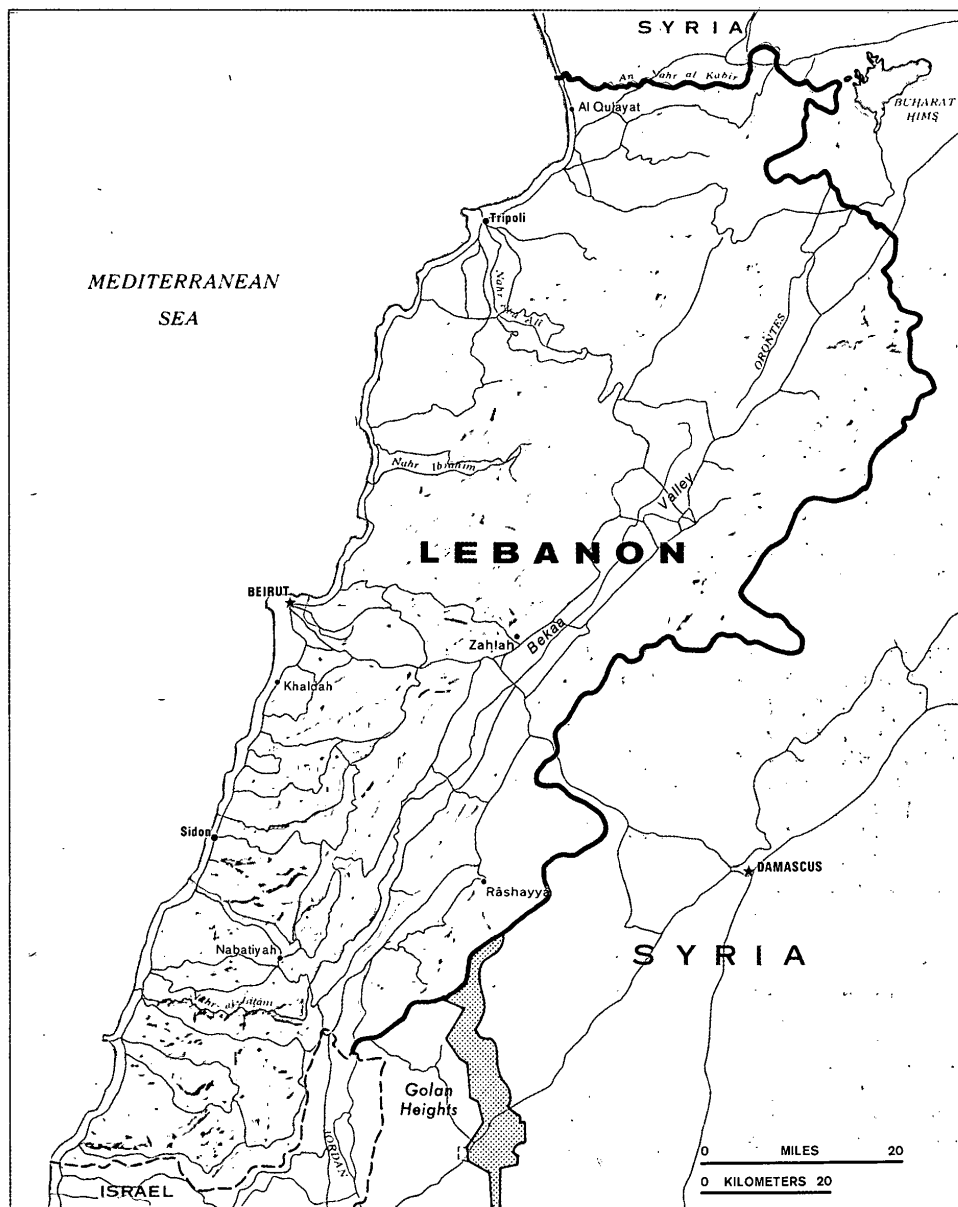
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LEBANON: Palestinian and Lebanese leftist leaders yesterday appealed to Egypt, Iraq, and Tunisia to send military forces to Lebanon to counter continuing Syrian initiatives. These forces apparently would supplement the security force approved last week by the Arab League foreign ministers.

Palestine Liberation Organization chairman Yasir Arafat met yesterday with President Sadat in Cairo, presumably to make a personal plea for help. Arafat reportedly is very discouraged, and probably fears that resupplied Syrian forces will launch a major new offensive.

Arafat's appeal will put Cairo on the spot. The Egyptians had already announced that they had decided against a joint intervention with Iraq, and it is unlikely that they would commit troops under any circumstances in which they might be drawn into combat with Syria. At the same time, Cairo will find it embarrassing and politically costly to reject Arafat's request outright.

The feud with Syria seems to be blurring Cairo's perspective on Lebanon and--faced with the dilemma posed by Arafat's appeal--the Egyptians might decide that an Egyptian-Iraqi landing at a port such as Tyre in Southern Lebanon is in order. Tyre is the only major Lebanese city not under Syrian siege. Iraq probably would join such a venture. Egypt, meanwhile, reportedly is assisting Iraq in shipping arms to leftist forces in Lebanon.

The Palestinians and leftists yesterday also appealed to political and material support from the USSR, China, and various third world states and international organizations.

They appear to have lost all hope that the Arab League will be able to forestall Syria's military occupation of Lebanon. Arab League Secretary General Riyad yesterday denied in Damascus that the joint Arab force's entry into Lebanon has been postponed indefinitely. He acknowledged, however, that it may be another 10 days before the force will be formed and committed.

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According to press reports, Riyadh will visit Beirut today. Libyan Prime Minister Jallud reportedly traveled from Damascus to Beirut yesterday with new Syrian proposals to present to the various factions. The Palestinians, however, are not likely to be encouraged either by Jallud's return or by any new proposals. Syrian spokesmen this week have reinforced the Palestinians' fears that Damascus will not ease the military pressure.

Lebanese politicians are doing almost nothing to negotiate an end to the crisis.

Extremist Christians are applauding what they consider Damascus' determination to crush the Palestinians. Their more conciliatory colleagues despair of doing anything while the military confrontation continues. The Christians have acknowledged privately, however, that their denunciation of the Arab League is designed primarily to buttress Syria's position.

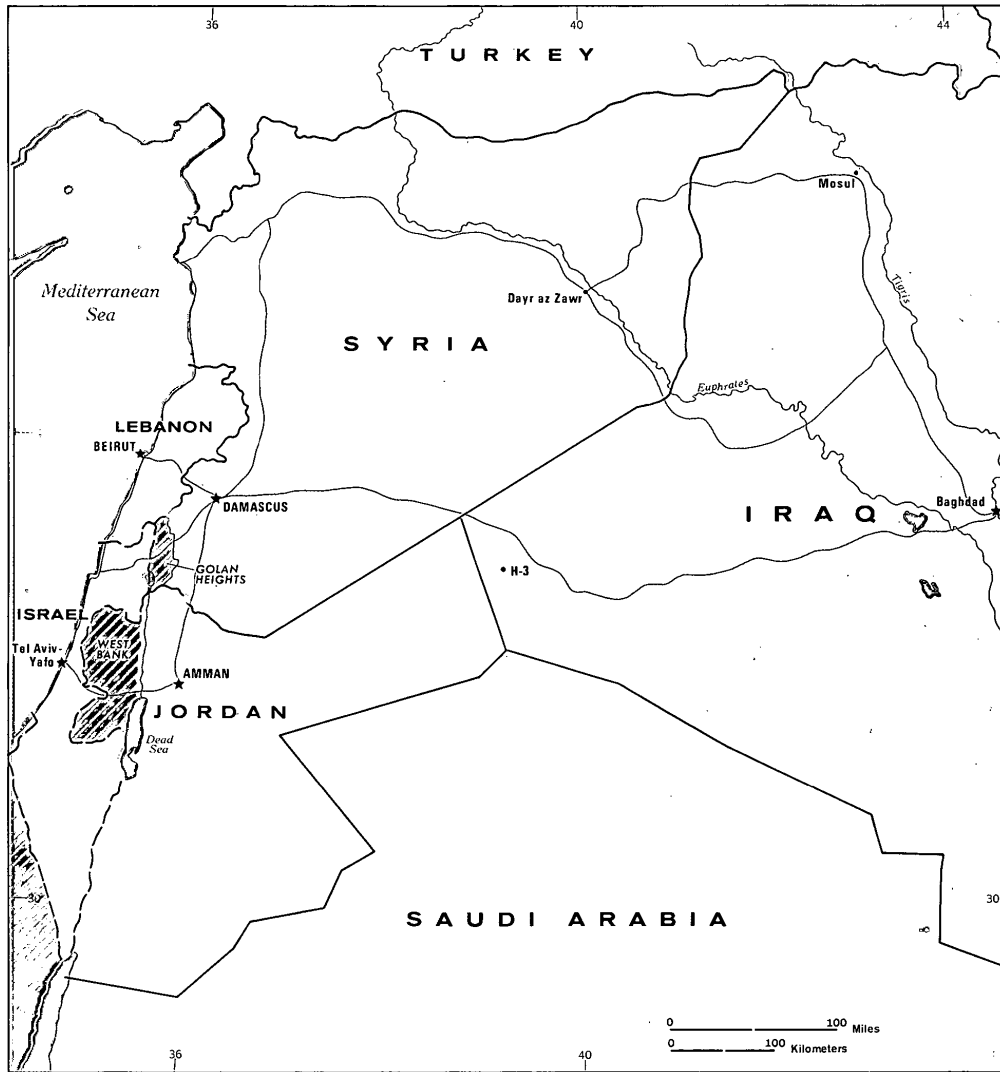
Syrian forces continue to press their Palestinian and leftist adversaries by maintaining the sieges of Beirut, Sidon, and Tripoli.

Syrian and Saiqa units at Khaldah control the southern approaches to Beirut, including the airport. The road between Beirut and Sidon is closed again.

The main Syrian military advance yesterday was in southern Lebanon, where Syrian forces occupied the town of Rashayya. Syrian units reportedly also were trying to secure control of Nabatiyah, site of a Palestinian refugee camp and fedayeen staging area.

Damascus apparently is continuing to withdraw Syrian-controlled Palestine Liberation Army forces from Lebanon because they have become increasingly ineffective and unreliable. Some PLA units in the Tripoli area evidently have resisted the withdrawal effort.

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Christian forces are taking advantage of the Syrian drive to mount an effort to retake key towns that they lost in March. The Christians attacked Palestinian-leftist positions north of Zahlah, where the latter have made their deepest penetration of the traditional Christian area. Clashes also occurred in Tripoli, the Beirut area, and the mountains east of the capital.

IRAQ-SYRIA: Baghdad's shrill anti-Syria propaganda continued yesterday, but there are signs that Iraqi leaders believe the massing of their forces on the border has already achieved their purpose of embarrassing Damascus.

Iraqi leaders' stated willingness to view their military moves as "training" suggests that they may now be taking steps to prevent the situation from deteriorating into a military conflict. Iraqi chief Saddam Husayn probably is aware of the risks of a military foray into Syria. He undoubtedly realizes that such a move would prompt immediate Syrian air attacks against vulnerable Iraqi supply lines.

Saddam Husayn also may well be aware of Jordan's commitment to assist Syria. In addition, the Saudi Arabians are putting pressure on Baghdad to refrain from going into Syria.

Despite these considerations, the Iraqis apparently hope that their posturing along the border will ease Syrian pressure in Lebanon and will encourage Syrian President Asad's domestic opponents to move against him. It may thus be some time before the Iraqis pull back from the Syrian border.

We have not detected any Iraqi troop movements since Saturday.

We now count some 30,000 Iraqi troops near the Syrian border, with additional support units en route. At least two of Iraq's three armored divisions are close to the

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border, along with major elements of the other armored division and units of Iraq's five infantry divisions.

One of the armored divisions and parts of an infantry division are near the Iraqi-Jordanian-Syrian border. Baghdad also has at least an armored division, an air defense brigade, and some support units along the Euphrates River.

Iraqi fighter aircraft now based in the west are conducting reconnaissance missions along the Syrian and Jordanian borders. All Iraqi air bases have been placed on increased alert.

Syria continues to move troops off the Golan Heights, apparently to strengthen its positions in eastern Syria near the Iraqi border.

On Sunday the US defense attache in Damascus saw an estimated brigade-size unit of tanks, artillery, and armored personnel carriers heading north through Damascus.

The equivalent of between one and two Syrian divisions has been sent to the Iraqi border within the past four days. We believe that the force consists of individual units from several divisions. Damascus apparently has chosen this course to try to preserve the effectiveness of its ground forces opposite Israel on the Heights.

Damascus also has deployed an SA-6 surface-to-air missile brigade to Dayr az Zawr near the border, as well as some fighter and reconnaissance aircraft to bases in eastern Syria.

Syrian officials still do not seem unduly alarmed at the possibility of a military confrontation with Iraq. President Asad so far is planning to depart on schedule on Thursday on his visit to France and Eastern Europe.

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USSR: *The Soviets may be delaying a reduction in the size of their Mediterranean fleet because of the Lebanese crisis and the movement of some US naval ships to the eastern Mediterranean.*

There are still about 70 Soviet naval units--15 more than normal--in the Mediterranean.

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Other types of Soviet reaction to the arrival on Sunday of a US amphibious force southeast of Crete have been routine. A Soviet frigate is continuing to monitor the group. The US carrier America, which has been operating in the area for some time, also remains under surveillance.

Two small Soviet warships in the Strait of Sicily may be waiting for indications of an eastern movement by another US carrier in the Mediterranean--the Saratoga, which left Cannes, France, yesterday.

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CHINA: *Chairman Mao's health apparently has deteriorated to the point where he may no longer see foreign visitors.*

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Since March, Mao's meetings with foreigners have been limited to 15 or 20 minutes.

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Political infighting within the divided leadership is almost certain to intensify in the coming months, especially if--as could well be the case--Mao himself was not able to function in a decision-making role.

Both sides in the current political campaign, which has been marking time in recent weeks, probably will try to claim Mao's support. In this case, access to the Chairman becomes increasingly important.

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ETHIOPIA: *The Ethiopian government reportedly has ordered the withdrawal of the armed peasant units that were to have been used against insurgents in Eritrea Province.*

The cancellation of the planned operation comes amid signs that the ruling military council has had some success in establishing contact with the Eritrean guerrillas. A committee of traditional provincial leaders--formed in May at the council's request to act as intermediary between Addis Ababa and the guerrillas--met last week with representatives of the Popular Liberation Forces.

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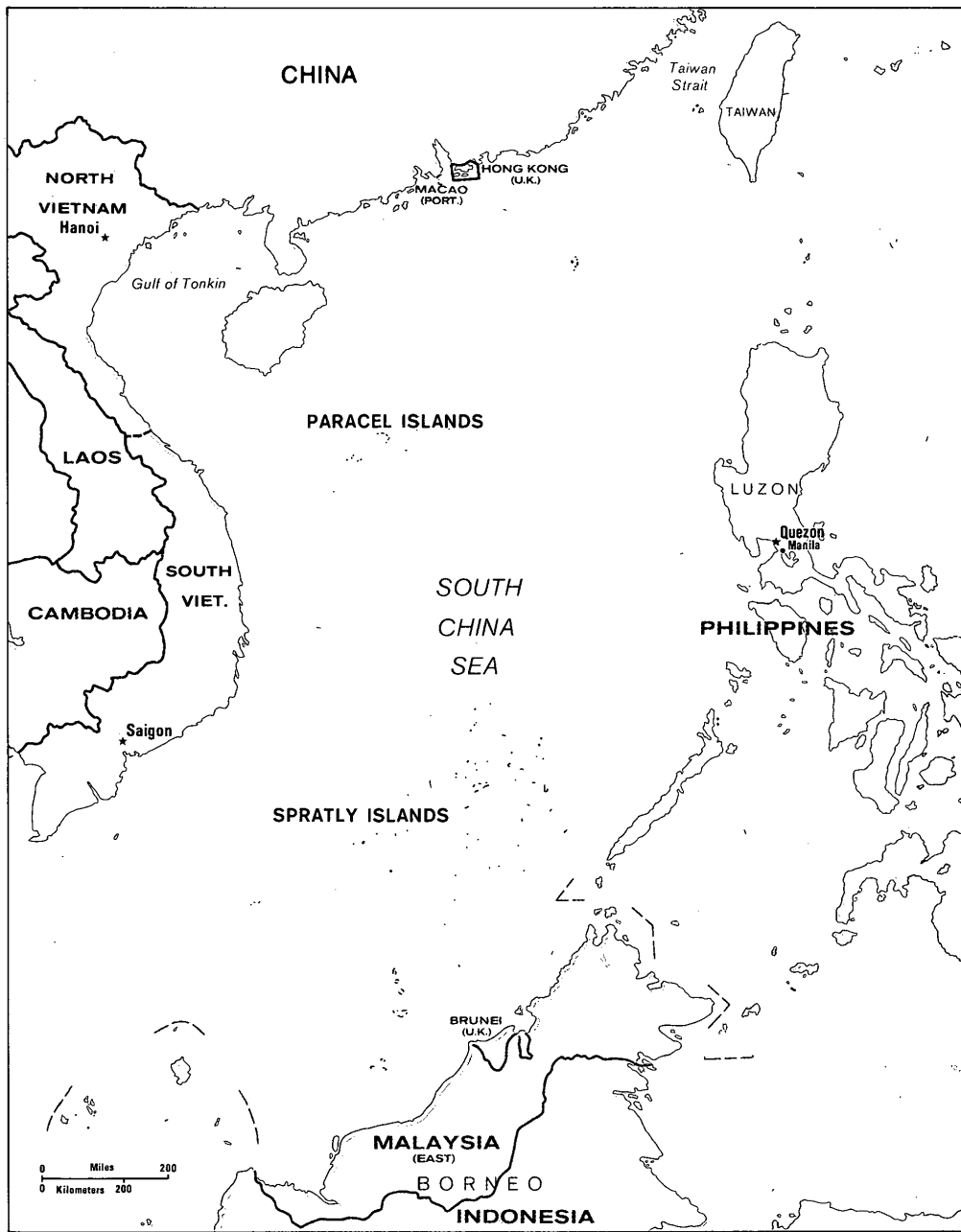
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The PLF representatives, although reportedly encouraged by government proposals to grant Eritrea a measure of autonomy, are unlikely to begin direct talks until the council defines more precisely the degree of self-government it is willing to grant.

The PLF representatives also insisted that discussions would have to include the rival rebel faction--the Eritrean Liberation Front. This is the first evidence that the two groups are attempting to work together in dealing with the government. Divisions within the rebel movement may still hinder peace negotiations.

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NOTES

China yesterday took formal note of Philip-pine-sponsored oil exploration in the Spratly Islands.

In a statement reiterating China's long-standing claim to the South China Sea island group, the Foreign Ministry said that Peking views the dispatch of foreign troops to the Spratlys or prospecting and exploiting petroleum and other resources as "an encroachment on China's territorial sovereignty."

The Chinese pronouncement appears to be essentially a statement of principle. It may, in fact, be directed primarily at the Vietnamese, who earlier this year publicized a rotation of Vietnamese units occupying some of the islands. The Vietnamese issued a protest of their own on June 6, and also reiterated their own claim to the Spratlys.

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The EC foreign ministers in Luxembourg last week-end failed to agree on EC representation at this month's economic summit in Puerto Rico.

They did clear away some of the bad feeling caused when the larger members failed to consult the other EC governments about going to the summit. The odds now favor an EC bid for attendance at Puerto Rico by Luxembourg Prime Minister Thorn--currently the EC President--and possibly EC Commission President Ortoli. Denmark was the only holdout on this arrangement but seems likely to agree tomorrow.

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The EC-Portuguese agreement, negotiated last week, provides Lisbon long-term financial assistance and trade concessions and serves to reinforce Portugal's turn toward Western Europe.

The EC will provide Lisbon with about \$220 million in loans over five years. These funds will be available in January 1978--when an earlier protocol expires that provided about \$175 million. EC tariffs on industrial imports from Portugal will be eliminated in July, and benefits for Portuguese workers residing in the EC were increased substantially.

Portuguese Socialist leaders have stated they may apply for full membership in the Community when they form a new government next month; they assume a prolonged transition period toward EC membership will be necessary.

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